#### AMENDED IN ASSEMBLY APRIL 26, 2000

CALIFORNIA LEGISLATURE-1999-2000 REGULAR SESSION

## ASSEMBLY BILL

No. 2808

# **Introduced by Assembly Member Papan**

February 28, 2000

An act to amend Sections *8000*, *8001*, 8007, 8008, 8010, 8016, 8017, 8023, 8024, 8024.1, 8024.2, 8024.3, 8024.4, 8024.5, 8024.7, 8025, 8025.1, 8026, and 8031 of, and to add Article 3.5 (commencing with Section 8028) to Chapter 13 of Division 3 of, the Business and Professions Code, relating to shorthand reporters, and making an appropriation therefor.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2808, as amended, Papan. Shorthand reporters: eompany registrants.

Existing law provides for the certification and regulation of shorthand reporters. Existing law also provides shorthand reporting corporations, regulation of which are corporations, professional governed generally Corporations Act, Moscone-Knox Professional that render services through certified shorthand professional Under existing law, these certification and regulation duties are the responsibility of a 5-member Court Reporters Board of California, and the provisions establishing this board will become inoperative on July 1, 2001.

This bill would, in addition, provide for the registration *and* regulation of company registrants entities, which are sole proprietorships, partnerships, corporations, joint ventures,

AB 2808 — 2 —

and other businesses that are engaged in the business of shorthand reporting, as specified, and would increase the board's membership to 7 by adding to it 2 representatives from this group of registrants and would also extend to July 1, 2004, the operation of the provisions pertaining to the board's existence. This bill—would establish new registration fees in this regard—and would impose criminal sanctions in certain cases for violating these new provisions and would establish new fees with respect to the registration and other associated matters relating to those entities engaged in the business of shorthand reporting.

Existing law establishes the Court Reporters' Fund, which is continuously appropriated to carry out the provisions governing shorthand reporters.—By This bill would appropriate the sum of \$81,000 from the fund for a specified position during fiscal year 2001–02, and by adding new registration fees—for company registrants, this bill would increase the source of revenue flowing into the fund, thereby also making an appropriation.

Existing law makes it a crime to violate any of the provisions governing shorthand reporters. By adding these new registration requirements for company registrants to these provisions, this bill would expand the scope of an existing crime, thereby imposing a state-mandated local program. In addition, by including within these new provisions certain new crimes, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 8000 of the Business and
- 2 Professions Code is amended to read:

-3-**AB 2808** 

1 8000. There is in the Department of Consumer Affairs a Court Reporters Board of California, which consists of five seven members, three of whom shall be public members and, two of whom shall be holders of certificates issued under this chapter who have been actively engaged as shorthand reporters within this state for at least five years immediately preceding appointment, and two of whom shall be qualifying officers or managers of a registrant under this chapter 10 who have been actively engaged in the business of shorthand reporting within this state for at least five years immediately preceding their appointment. 12

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This section shall become inoperative on July 1, 2001 14 2004, and, as of January 1, <del>2002</del> 2005, is repealed, unless a 15 later enacted statute, which becomes effective on or 16 before January 1, 2002 2005, deletes or extends the dates on which it becomes inoperative and is repealed. The 18 repeal of this section renders the board subject to the review required by Division 1.2 (commencing with 20 Section 473), except that the review shall be limited to only those unresolved issues identified by the Joint Legislative Sunset Review Committee.

SEC. 2. Section 8001 of the Business and Professions Code is amended to read:

8001. Appointment as a member of the board shall be 26 for a term of four years. Members of the board shall hold office until the appointment and qualification of their successors or until one year shall have elapsed since the expiration of the term for which they were appointed, 30 whichever first occurs. No person shall serve as a member of the board for more than two consecutive terms except as provided in Section 131. Vacancies occurring shall be filled by appointment for the unexpired term.

The Governor shall appoint one of the public members 35 and, the two certified members qualified, and the two 36 qualifying officer or manager members as provided in Section 8000. The Senate Rules Committee and the Speaker of the Assembly shall each appoint a public member.

**AB 2808** 

SEC. 3. Section 8007 of the Business and Professions Code is amended to read:

8007. The board shall:

- (a) Determine the qualifications of persons applying 4 5 for certificates and company registrations under this 6 chapter.
- (b) Make rules for the examination of applicants and the issuing of certificates and company registrations provided for in this chapter.
- (c) Grant certificates to applicants that may, upon 11 examination, be qualified in professional shorthand 12 reporting and in any other subjects that the board may 13 deem advisable and grant company registrations to 14 applicants that may, upon examination, be qualified in 15 accordance with Article 3.5 (commencing with Section 16 8028) to engage in the business of shorthand reporting.
- (d) Grant registrations to applicants that are qualified 18 in accordance with Article 3.5 (commencing with Section 8028) to engage in the business of shorthand reporting.

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21 (e) Adopt, amend, or repeal rules and regulations which are reasonably necessary to carry out the 23 provisions of this chapter.

SEC. 2.

- 25 SEC. 4. Section 8008 of the Business and Professions 26 Code is amended to read:
- 27 8008. The board also has the following powers and 28 duties:
- (a) To adopt a seal. 29
- (b) By affirmative vote of at least three members a 31 majority of the board, to suspend or revoke a certificate or-company registration, for any cause specified in this chapter.
- 34 (c) To charge and collect all fees as provided for in this 35 chapter.
- (d) To require the renewal of all certificates and 36 37 company registrations.
- 38 (e) To issue subpoenas, to administer oaths, and to testimony concerning any matter within jurisdiction of the board.

**—5— AB 2808** 

(f) To investigate the actions of any-licensee certificate holder, registrant, or qualifying officer or manager, upon receipt of a verified complaint in writing from any person, for alleged acts or omissions constituting grounds for disciplinary action under the chapter.

This section shall become operative on July 1, 1999. SEC. 3.

- SEC. 5. Section 8010 of the Business and Professions Code is amended to read:
- 8010. Information regarding a complaint against a 10 11 specific holder of a certificate or company registration specific certificate holder or registrant may not be 12 disclosed to the public until an accusation has been filed 13 14 by the board and the holder or registrant has been notified of the filing of the accusation against the holder's 16 certificate or company registration and the disciplinary proceedings to be conducted in accordance with Chapter 17 18 5 (commencing with Section 11500) of Part 1 of Division 19 3 of Title 2 of the Government Code. This section does not 20 apply to citations, fines, or orders of abatement, which 21 shall be disclosed to the public upon request. the board shall upon request disclose to the public after notifying the holder or registrant to whom the requested citation, fine, or order of abatement was issued.

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- SEC. 6. Section 8016 of the Business and Professions Code is amended to read:
- 8016. (a) No person shall engage in the practice of shorthand reporting as defined in this chapter, unless that person is the holder of a certificate in full force and effect 31 issued by the board. No person shall engage in the business of shorthand reporting as defined in this chapter, unless that person is the holder of a company registration 34 in full force and effect issued by the board. This section 35 issued by the board. This subdivision does not apply to a 36 salaried, full-time employee of any department or agency of the state who is employed as a hearing reporter. This section also does not apply to certified shorthand reporters who do not employ or use the services of other certified shorthand reporters.

**AB 2808** 

1 This section hearing reporter.

This subdivision shall apply to all persons who are 2 appointed, on and after January 1, 1983, to the position of official reporter or pro tempore official reporter of any court, as defined in the Government Code.

(b) On and after July 1, 2002, no person shall engage 6 in the business of shorthand reporting, as defined in this chapter, unless that person is the holder of a registration 9 in full force and effect issued by the board. This 10 subdivision does not apply to a business, regardless of 11 form, owned by a certified shorthand reporter who does 12 not employ, hire, arrange for, or use the services of any 13 other certified shorthand reporter or to any department 14 or agency of the state that employs hearing reporters.

SEC. 5.

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- SEC. 7. Section 8017 of the Business and Professions Code is amended to read:
- 8017. (a) The practice of shorthand reporting is 19 defined as the making, by means of written symbols or abbreviations in shorthand or machine shorthand writing, of a verbatim record of anv oral proceeding, deposition, or proceeding before any grand 23 jury, referee, or court commissioner and the accurate 24 transcription thereof.
- (b) Engaging in the business of shorthand reporting is 26 defined as offering to provide the services of a certified shorthand reporter as defined in subdivision (a). defined as holding oneself out as a shorthand reporting entity; offering a booking or billing service for certified 30 shorthand reporters; or in any manner whatsoever employing, hiring, offering, arranging for, or using the 32 services of any person engaged in the practice of shorthand reporting as defined in subdivision (a).

34 SEC. 6.

- 35 SEC. 8. Section 8023 of the Business and Professions 36 Code is amended to read:
- 8023. (a) No certificate or company registration shall 37 be issued until the applicant has passed the examination prescribed by the board.

**—7— AB 2808** 

(b) No registration shall be issued unless the applicant has fulfilled all of the requirements prescribed by the board.

SEC. 7.

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5 SEC. 9. Section 8024 of the Business and Professions Code is amended to read:

8024. All certificates issued under this chapter shall be valid for a period of one year, except for the initial period of-licensure certification as prescribed by the board, and 10 shall expire at 12 midnight on the last day of the month of birth of the licensee unless renewed. All company holder unless renewed. All registrations registrations issued under this chapter shall be valid for a period of one 14 year and shall expire at 12 midnight on the last day of the 15 12th month unless renewed.

unexpired certificate To renew an or<del>company</del> 17 registration, the certificate or company registration 18 registration, the registrant or holder shall, on or before each of the dates on which it would otherwise expire, do all of the following:

- (a) Apply for renewal on a form prescribed by the board.
  - (b) Pay the renewal fee prescribed by this chapter.
- (c) Notify the board whether he or she the certificate 25 holder, the registrant, or any of the registrant's qualifying officers or qualifying managers has been convicted of any felony, any crime substantially related to the functions 28 and duties of a court reporter, or any disciplinary action taken by any regulatory or licensing board in this or any other state, subsequent to the certificate or company registration holder's last holder's or the registrant's last renewal.

**SEC. 8.** 

- 34 SEC. 8024.1 10. Section of the **Business** and 35 Professions Code is amended to read:
- 36 8024.1. Every person to whom a certificate or 37 company registration is issued shall, as a condition precedent to its issuance, and in addition to any other fee which may be payable, pay the initial certificate or company registration fee prescribed by this chapter.

**AB 2808 —8**—

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2 SEC. 11. Section 8024.2 of the **Business** and 3 Professions Code is amended to read:

8024.2. (a) Except as otherwise provided this article, a certificate or company registration which has expired may be renewed at any time within the period set forth in Section 8024.5 by doing all of the following:

- (1) Applying for renewal on a form prescribed by the board.
  - (2) Paying the renewal fee prescribed by this chapter.
- (3) Notifying the board whether the person certificate 12 holder, the registrant, or any of the registrant's qualifying officers or managers has been convicted of any felony, 14 any crime substantially related to the functions and duties of a court reporter, or any disciplinary action taken by any 16 regulatory or licensing board in this or any other state, subsequent to the licensee's holder's or registrant's last 18 renewal.
- (b) If the certificate or company registration is not 20 renewed within 30 days after its expiration, the certificate 21 or company registration holder, as a condition precedent 22 holder or registrant, as a condition precedent to renewal, 23 shall also pay the delinquency fee set forth in Section 24 163.5. Renewal under this section shall be effective on the 25 date on which the renewal fee is paid, or on the date on 26 which the delinquency fee, if any, is paid, whichever last 27 occurs. If so renewed, the certificate or company registration shall continue in effect through the date 29 provided in Section 8024 which next occurs after the 30 effective date of the renewal, when it shall expire if it is not again renewed.

The certificate or registration shall not be renewed if 33 the certificate holder or the registrant has failed to pay 34 monetary sanctions identified in subdivision (g) of Section 8025.

It is the responsibility of each certificate holder and 37 registrant to renew his or her certificate or registration regardless of whether the holder or registrant received a renewal form from the board.

SEC. 10.

**AB 2808** 

SEC. 12. Section 8024.3 of 1 the Business and 2 Professions Code is amended to read:

3 8024.3. A suspended certificate or<del>company</del> registration is subject to expiration and shall be renewed as provided in this article, but that renewal does not 5 entitle the holder of the certificate or company registration, while it the registrant, while the certificate or registration remains suspended and until it is reinstated, to engage in the activity to which the 10 certificate or company registration relates, or in any other activity or conduct in violation of the order or judgment by which it was suspended. 12

The certificate or registration shall not be renewed if 14 the certificate holder or registrant has failed to pay monetary sanctions identified in subdivision (g) of Section 8025.

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SEC. 13. Section 8024.4 of the **Business** 19 Professions Code is amended to read:

8024.4. A revoked certificate or company registration 21 is subject to expiration as provided in this article, but it may not be renewed. If it is reinstated after its expiration, 23 the holder of the certificate or company registration the 24 registrant, as a condition precedent to its reinstatement, 25 shall pay a reinstatement fee in an amount equal to the 26 renewal fee in effect on the last regular renewal date 27 before the date on which it is reinstated, plus the delinquency fee, if any, accrued at the time of its revocation.

The certificate shall not be renewed if the certificate 30 31 holder

The certificate or registration shall not be reinstated if the certificate or registration has failed to pay monetary sanctions identified in subdivision (g) of Section 8025.

## SEC. 12.

14. Section 8024.5 of 36 SEC. the Business and 37 Professions Code is amended to read:

8024.5. A certificate or company registration that is 38 not renewed within three years after its expiration may restored, reinstated, or renewed,

**AB 2808 — 10 —** 

thereafter. The holder of the certificate or company registration the registrant shall return the expired 3 certificate or company registration to the board. 4 obtain a new certificate or company registration, the holder shall pay all of the fees and meet all of the qualifications and requirements set forth in this chapter certificate or<del>company</del> obtaining an original registration, including qualifying for, taking, and passing the appropriate examination.

SEC. 13.

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SEC. 15. Section 8024.7 of the **Business** and 12 Professions Code is amended to read:

8024.7. The board shall establish an inactive category 14 of certification for persons who are not actively engaged 15 in the practice of shorthand reporting or in the business 16 of shorthand reporting...

- holder (a) The of an inactive certificate 18 pursuant to this section shall not engage in any activity for which a certificate is required.
- (b) An inactive certificate issued pursuant to this 21 section shall be renewed during the same time period in 22 which an active certificate is renewed. The holder of an 23 inactive certificate exempt from is any continuing education requirement for renewal of an active 25 certificate.
- (c) The renewal fee for a certificate in an active status 27 shall apply also for a renewal of a certificate in an inactive status, unless a lesser renewal fee is specified by the board.
- (d) In order for the holder of an inactive certificate 30 issued pursuant to this section to restore that certificate to an active status, the holder of an inactive certificate shall comply with both of the following:
  - (1) Pay the renewal fee.
- 34 (2) If the board requires completion of continuing 35 education for renewal of an active certificate, complete 36 continuing education equivalent to that required for 37 renewal of an active certificate, unless a different 38 requirement is specified by the board.
- 39 SEC. 14.

**— 11 — AB 2808** 

SEC. 16. Section 8025 of the Business and Professions Code is amended to read:

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8025. A certificate or company registration issued under this chapter may be suspended or revoked, or certification or registration may be denied, for one or more of the following eauses incurred or committed by a certificate holder, a registrant, a registrant's qualifying officer or qualifying manager, or an applicant for certification or registration:

- (a) Conviction of a crime substantially related to the qualifications, functions, and duties of shorthand reporter or company registrant. The record of conviction, or a certified copy thereof, is conclusive 14 evidence of the conviction.
- (b) Failure to notify the board of a conviction 16 described in subdivision (a), in accordance with Section 8024 or 8024.2.
- misrepresentation (c) Fraud or resorted 19 obtaining a certificate or -company registration under this chapter.
- (d) Fraud, dishonesty, corruption, willful violation of 22 duty, gross negligence or incompetency in practice, or unprofessional conduct in the practice of shorthand reporting or in the business of shorthand reporting.

"Unprofessional conduct" includes, but is not limited 26 to, acts contrary to professional standards concerning confidentiality; impartiality; filing and retention of notes; notifications, availability, delivery, execution certification of transcripts; and any provision of law 30 substantially related to the duties of a certified shorthand 31 reporter or <del>company</del> registrant.

(e) Repeated unexcused whether failure, or 33 willful, to transcribe notes of cases pending on appeal and 34 to file the transcripts of those notes within the time required by law or to transcribe or file notes of other 36 proceedings within the time required by law or agreed by 37 contract. Violation of this subdivision shall also be 38 deemed an act endangering the public health, safety, or 39 welfare within the meaning of Section 494.

AB 2808 **— 12 —** 

(f) Loss or destruction of stenographic notes, whether on paper or electronic media, which prevents production of a transcript due to negligence of the 4 licensee holder or registrant.

- (g) Failure to comply with, or to pay a monetary 6 sanction imposed by, any court for failure to provide timely transcripts. The record of the court order, or a certified copy thereof, is conclusive evidence that the sanction was imposed.
  - (h) Violation of this chapter or the statutes, rules, and regulations pertaining to certified shorthand reporters and company registrants.

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- SEC. 17. Section 8025.1 of the **Business** and 15 Professions Code is amended to read:
- 8025.1. (a) In addition to the causes for discipline or 17 denial of certification set forth in Section 8025, the board 18 may suspend or revoke any certificate or company 19 registration, or deny certification or company 20 registration, or deny certification on any of the following grounds:
- (1) That the applicant or holder is incapable of 23 performing the duties of a certified shorthand reporter—or 24 company registrant due to physical or mental infirmity or 25 incapacity.
- (2) That the applicant or holder is unable to perform 27 the duties of a certified shorthand reporter or company registrant due to the abuse of chemical substances or alcohol.
- (b) For purposes of determining the existence 31 nonexistence of grounds for denial, suspension, 32 revocation of a certificate or company registration as set 33 forth in this section, the board may, based upon a 34 reasonable belief that grounds exist, require the applicant 35 or holder to submit to a physical or mental examination 36 or examinations by a licensed physician designated by the 37 board. Failure to submit to, or to schedule, a physical or 38 mental examination within 10 days of written demand by 39 the board shall result in the automatic suspension of any 40 certificate or company registration or the denial of any

**—13** — **AB 2808** 

application therefor. The denial of an application on any of the grounds set forth in this section shall be subject to the provisions of Sections 11504 and 11504.5 of the Government Code. The holder may request a hearing to 5 suspension of certification contest an automatic registration under this section by sending a written request for hearing to the offices of the board within 12 days of the date that the board mails a notice of suspension to the holder. If a hearing is requested, it shall be 10 convened within 30 days after the receipt by the board of the written request for the hearing. The hearing shall be conducted in accordance with the provisions of Chapter 12 5 (commencing with Section 11500) of Part 1 of Division 14 3 of Title 2 of the Government Code. The sole issue for 15 determination in the hearing, whether for denial or 16 suspension of a certificate or company registration, shall be whether the holder failed or refused to submit to the 17 18 physical or mental examination after being duly ordered to do so by the board. Evidence that the holder has, since the date of automatic suspension, submitted to a mental or physical examination shall be considered as mitigation of any failure or refusal to comply with the board's order, and may, in the sound discretion of the administrative law judge, constitute cause to set aside any 25 suspension. A decision shall be rendered by administrative law judge within 10 days of the hearing and shall constitute the final determination as to the 28 continuing status of any automatic suspension.

(c) Following a physical or mental 30 pursuant to subdivision (b), the physician conducting the examination shall determine whether the applicant or holder is incapable of performing the duties of a certified shorthand reporter or company registrant due to physical or mental infirmity or incapacity, or whether the applicant or holder is unable to perform the duties of a 36 certified shorthand reporter or company registrant due to the abuse of chemical substances or alcohol. Where a medical determination is made that an impairment exists, and the finding is reported to the board, the board shall deny any application and any certificate or company

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**AB 2808 — 14 —** 

registration shall be automatically suspended. The denial of an application on these grounds shall be subject to the provisions of Sections 11504 and 11504.5 of the 4 Government Code. The holder may request a hearing to 5 contest an automatic suspension of certification or 6 company registration under this section by sending a written request for hearing to the offices of the board within 12 days of the date that the board mails a notice of suspension to the holder. If a hearing is requested, it shall 9 10 be convened within 30 days after the receipt by the board of the written request for hearing. The hearing shall be conducted in accordance with Chapter 5 (commencing 12 with Section 11500) of Part 1 of Division 3 of Title 2 of the 14 Government Code. The sole issue for determination in whether for denial or 15 hearing, suspension 16 certification or company registration, shall be whether the applicant or holder is incapable of performing the 17 18 duties of a certified shorthand reporter - or company 19 registrant due to physical or mental infirmity 20 incapacity, or whether the applicant or holder is unable 21 to perform the duties of a certified shorthand reporter or company registrant due to the abuse of chemical 23 substances or alcohol. 24

- (d) For purposes of the hearing conducted pursuant to 25 subdivision (c), the applicant or holder shall, at a minimum, have the following rights:
  - (1) To be represented by counsel.
  - (2) To have a record made of the proceedings, copies of which may be obtained by the certificant or registrant upon payment of any reasonable charges associated with the record.
    - (3) To call, examine, and cross-examine witnesses.
- 33 (4) To present and rebut evidence determined to be 34 relevant.
  - (5) To present oral argument.
  - (e) The statutory period governing reapplication certification or registration following denial application as set forth in Section 486 does not apply to <del>licenses</del> *certifications* denied under this section.
- 40 SEC. 16.

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**— 15 — AB 2808** 

SEC. 18. Section 8026 of the Business and Professions Code is amended to read:

8026. A plea or verdict of guilty or a conviction following a plea of nolo contendere made to a charge substantially related to the qualifications, functions and duties of a certified shorthand reporter or company registrant is deemed to be a conviction within the meaning of this article.

The board may order the certificate or company 10 registration suspended or revoked, or may decline to issue a certificate or company registration, when the time

For purposes of this section, the conviction is final when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing that person to withdraw his plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment.

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SEC. 19. Article 3.5 (commencing with Section 8028) is added to Chapter 13 of Division 3 of the Business and Professions Code, to read:

# Article 3.5. Application, Examination Qualification, and Registration of Company Registrants Business **Entities**

8028. The term "person" as used in this article, means a sole proprietorship, firm, association, organization, partnership, business trust, joint venture, corporation, limited liability partnership, limited liability company, professional corporation, or any other entity.

8028.1. Any person who has not committed any acts or 36 erimes constituting grounds for denial of licensure under Sections 480, 8025, and 8025.1, and who has satisfactorily passed an examination under any regulations that the board may prescribe shall be entitled to a company

**AB 2808** <u>— 16 —</u>

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registration and may engage in the business of shorthand reporting, as defined in subdivision (b) of Section 8017.

8028.2. Notwithstanding any other law, on and after January 1, 2001, no person shall be issued a company registration unless the business is owned solely by a certified shorthand reporter or a shorthand reporting corporation, or had registered prior to that date.

8028.3. Each applicant for registration under this article shall file an application with the board on a form prescribed by the board at least 45 days before the date fixed for examination and the application shall be accompanied by the required fee. For purposes of determining the date upon which an application is deemed filed with the board, the date of postmark as affixed by the United States Postal Service, or the date certified by a bona fide private courier service on the envelope containing the application shall control.

8028.4. (a) Every company that offers the services of a certified shorthand reporter as a sole proprietorship, partnership, limited liability partnership, general law corporation, limited liability company, or other organization or any combination thereof, shall be registered as a company registrant with the board. Each application for a company registration shall include one of the following:

- (1) The name, including all other names known or used during the 10 years immediately preceding the date of filing the application, complete residence address, social security number, one passport photograph taken within one year immediately preceding the date of filing the application, and two full sets of fingerprints of the company's owner if it is a sole proprietorship.
- (2) The names, including all other names known or 34 used during the 10 years immediately preceding the date of filing the application, complete residence addresses, social security numbers, one passport photograph taken within one year immediately preceding the date of filing the application, and two full sets of fingerprints for each of the partners if it is a partnership or limited liability partnership.

**— 17 — AB 2808** 

(3) The names, including all other names known or used during the 10 years immediately preceding the date of filing the application, complete residence addresses, social security numbers, one passport photograph taken within one year immediately preceding the date of filing the application, and two full sets of fingerprints for the chief executive officer, chief financial officer, secretary, and any other officer who will be active in the business to be registered if the company is a corporation, limited liability corporation, limited liability company, or other type of entity not indicated in paragraphs (1) or (2).

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- (b) Every applicant for a company registration shall designate one office in this state as its principal office in this state.
- (c) A company registration shall not be issued to an applicant that has an officer, director, qualified manager, responsible managing employee, or an individual who otherwise exercises dominion or control over the company, whose certification as a shorthand reporter is revoked or suspended at the time of the application as the result of disciplinary action pursuant to this chapter.
- (d) Each registered company shall designate an individual or individuals who hold a certified shorthand reporter's certification to act as its qualified manager or managers. The designated qualified manager or managers shall be available to supervise the daily business of the company and supervise and assist all employees of the company, in accordance with regulations that the board may establish.
- (e) A registered company desiring to operate a shorthand reporting business at a location other than the principal place of business as shown on the company registration shall apply for a branch office registration for each additional location as set forth in this chapter.
- (f) Every registered company shall be under the 36 active charge of a qualified manager. Every registered branch office of a registered company shall be managed by a designated branch office manager as set forth in this chapter.

**AB 2808 — 18 —** 

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8028.5. (a) Whenever a qualified manager ceases to be in active charge of a registered company, the company registration shall be automatically suspended within 30 days of that cessation unless the company notifies the board within the 30-day period of that cessation.

- (b) Whenever a designated branch office manager ceases management of a registered branch office, the branch office registration shall be automatically suspended within 30 days unless the qualified manager notifies the board within the 30-day period of that cessation.
- (e) (1) If the notice of cessation under subdivision (a) 13 or (b) is filed with the board in a timely manner, the 14 company or branch office registration shall remain in 15 force for a period of 90 days after that cessation. After the 90-day period, the company or branch office registration shall be automatically suspended unless the board receives written notification that the company is under the active charge of a qualified manager or that a branch office manager has been designated for the registered branch office, as the case may be.
  - (2) A company or branch office registration that is suspended under paragraph (1) may be reinstated only upon the filing of an application for reinstatement, the payment of the reinstatement fee, and the qualification of a manager as provided by this chapter.
  - (3) Any person who performs an act for which a company registration is required during the period that the registration is suspended, is guilty of a misdemeanor punishable by a fine of ten thousand dollars (\$10,000) or by imprisonment in a county jail for not more than one year, or by both that fine and imprisonment, in addition to any other penalties provided by this chapter.
  - (d) (1) The registration of a company that is a sole proprietorship shall be canceled 120 days after the death of the sole proprietor.
  - (2) An immediate member of the family of the deceased person may continue the business under the same registration for the 120-day period. The immediate member of the family shall apply for and obtain his or her

**— 19 — AB 2808** 

own registration in order to continue in the business of shorthand reporting after the 120-day period.

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- (e) (1) The registration of a company that is a partnership shall be canceled 90 days after the death of a general partner. The remaining partner or partners shall notify the board in writing within 90 days of the death of a general partner. Failure to notify the board within 90 days of the death is grounds for disciplinary action and criminal penalties specified in paragraph (3) of subdivision (c).
- (2) The remaining general partner or partners may continue the business under the same registration for the 90-day period. The remaining general partner or partners shall apply for and obtain a new registration in order to continue in the business of shorthand reporting after the 90-day period.
- (f) (1) The registration of a company that is a partnership shall also be canceled upon the disassociation of a general partner or upon the dissolution of the partnership. The disassociating partner, and the remaining partner or partners, if any, shall notify the board in writing within 90 days of the disassociation of a general partner or the dissolution of the partnership. Failure to notify the board within 90 days of the disassociation or dissolution is grounds for disciplinary action and criminal penalties specified in paragraph (3) of subdivision (c).
- (2) The remaining general partner or partners may continue the business under the same registration for the 90-day period. The remaining general partner or partners shall apply for and obtain a new registration in order to continue in the business of shorthand reporting after the 90-day period.
- (g) (1) If the company registrant is a limited partnership, the general partner or partners shall notify 36 the board in writing within 120 days of the death of a limited partner. Failure to notify the board within 120 days of the death of a limited partner is grounds for disciplinary action and criminal penalties specified in paragraph (3) of subdivision (c). The death of a limited

AB 2808 — 20 —

partner shall not affect the company registration unless
the partnership has only one limited partner. In that case,
the registration shall be canceled 120 days after the death
of the limited partner unless a new limited partner is
added to the registration within 120 days of the death of
the limited partner.

- (2) If a registration is canceled, the remaining general partner or partners may continue the business under the same registration for the 120-day period. The remaining general partner or partners shall apply for and obtain a new registration in order to continue in the business of shorthand reporting after the 120-day period.
- (h) (1) If the company registrant is a limited partnership, the general partner or partners shall notify the board in writing within 90 days of the disassociation of a limited partner. Failure to notify the board within 90 days of the disassociation is grounds for disciplinary action and criminal penalties specified in paragraph (3) of subdivision (c).
- (2) The disassociation of a limited partner shall not affect the company registration unless the partnership has only one limited partner. In that case, the registration shall be canceled upon the disassociation of the limited partner unless a new limited partner is added to the registration within 90 days of the disassociation. If the registration is canceled, the remaining general partner or partners may continue the business under the same registration for the 90-day period. The remaining general partner or partners shall apply for and obtain a new company registration in order to continue in the business of shorthand reporting after the 90-day period.
- (i) (1) The registration of a company that is a joint venture shall be canceled upon the disassociation of any joint venture entity or upon the dissolution of the joint venture. The board shall be notified in writing within 90 days of the disassociation of a joint venture entity or the dissolution of the joint venture. Failure to notify the board within 90 days of the disassociation or dissolution is grounds for disciplinary action and criminal penaltics specified in paragraph (3) of subdivision (e).

— 21 — AB 2808

(2) Any remaining entity or entities may continue the business under the same registration for the 90-day period. The remaining entity or entities shall apply for and obtain a new registration in order to continue in the business of shorthand reporting after the 90-day period.

- (j) The registration of any sole proprietorship, partnership, or joint venture continued in accordance with this section is subject to all other provisions of this chapter.
- (k) The registration of a company that is a corporation shall be canceled upon the corporation's dissolution, merger, or surrender of its right to do business in this state. The corporation shall notify the board in writing within 90 days of the dissolution, merger, or surrender of rights. If the corporation fails to notify the board of the dissolution, merger, or surrender of rights, the registration shall be canceled 60 days after the board's discovery of that event. Failure to notify the board within 90 days of the dissolution, merger, or surrender of rights is grounds for disciplinary action and criminal penalties specified in paragraph (3) of subdivision (c).
- (*l*) The board shall review and accept the petition of any registrant that disputes the date of cancellation of its registration upon a showing of good cause. This petition shall be received within 90 days of the board's official notice of that cancellation.
- 8028.6. (a) For purposes of this chapter, "branch office" means a physical location where employees or agents of the registered company schedule reporting assignments, bind, copy, or otherwise assist in the production or shipping of transcripts, or bill for reporting assignments or products. The term "branch office" does not apply to locations where there is only a telephone forwarded number or a mail delivery box existing as the sole presence for the company.
- (b) Each branch office of a registered company shall employ a qualified branch office manager designated by the registered company to supervise and assist the company's employees and agents who are located at, accept assignments from, or submit work to, that branch

AB 2808 — 22 —

1 office. The qualified branch office manager shall be an 2 individual who is a certified shorthand reporter. Each 3 branch office shall be separately registered with the 4 board.

8028.7. (a) A company registration shall be prominently displayed in the registered company's principal office, and no registration issued under this chapter shall authorize the company to do business except from the location for which the registration was issued. Each registered company having a branch office or more than one branch office shall be required to display its respective branch office registration prominently in each branch office it maintains.

(b) Within 30 days of a registered company opening a branch office it all notify the board in writing on a form prescribed by the board and issued by the board in accordance with rules and regulations adopted by the board. The notification shall include the name of the individual designated as the branch office manager and shall be submitted with the fee for a branch office prescribed by this chapter.

8028.8. A registered company that changes the location of its principal office or any branch office or that changes its qualified manager, branch office manager, officers, or its bond shall notify the board in writing of that change within 30 days thereafter. A fee for filing the change shall be charged in accordance with Section 8031.

8028.9. (a) If the board suspends or revokes a certified shorthand reporter's certificate and one or more branch offices are registered under the name of the certified shorthand reporter, the suspension or revocation may be applied to each branch office.

(b) If the certified shorthand reporter is the qualified manager, a partner, responsible officer, or the holder of a company registration, the suspension or revocation may be applied to the company registration.

(c) The performance by any partnership, corporation, firm, association, or other registered company of any act or omission constituting a cause for disciplinary action, likewise constitutes a cause for disciplinary action against

**— 23 — AB 2808** 

1 any certified shorthand reporter who, at the time the act or omission occurred, was the qualified manager, a 3 partner, responsible officer, or owner of the partnership, 4 corporation, firm, association, or registered company 5 whether or not he or she had knowledge of, or 6 participated in, the prohibited act or omission.

8028. As used in this chapter:

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- (a) "Entity" means asoleproprietorship, firm, association, organization, partnership, business 10 joint venture, corporation, limited liability partnership, liability company, professional corporation, shorthand reporting corporation, or any other business association.
- (b) "Branch office" means a physical location where 15 employees or agents of the registrant schedule reporting 16 assignments, bind, copy, or otherwise assist in the 17 production or shipping of transcripts, or bill for reporting 18 assignments or products. The term "branch office" does 19 not include a location if there is only a telephone 20 forwarded number, a mail delivery box, or both at that 21 location.
- (c) "Branch office registration" means a registration 23 of a single location being operated pursuant to a master registration.
- (d) "Master registration" means the registration for 26 the entire entity, if the entity has branch offices.
- (e) "Qualifying manager" means the designated 28 individual responsible for supervising daily operations and activities of the registrant or one of the 30 registrant's branch offices.
- (f) "Qualifying officer" means any individual who is 32 required to be listed on a registration application, described in Section 8028.4.
- (g) "Registrant" means an entity registered by the 35 board under this article.
- 36 (h) "Registration," unless otherwise indicated, 37 includes any and all types of registration, including a master registration and branch office registrations.
- 8028.1. Notwithstanding any other provision of law, 39 effective July 1, 2002, no person shall engage in the

**AB 2808** 

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business of shorthand reporting as defined in subdivision (b) of Section 8017 unless the person is registered by the board pursuant to this article.

8028.2. The board shall grant registration 5 application submitted to it by an entity, and that entity 6 may engage in the business of shorthand reporting as defined in subdivision (b) of Section 8017, if it meets all of the following requirements:

- (a) Neither the entity nor any of its proposed 10 qualifying officers or managers has committed an act or crime or has a physical or mental infirmity or incapacity 12 constituting grounds for the suspension, revocation, or 13 denial of a certification or registration under Section 480, 14 8025, or 8025.1.
- (b) Files an application with the board containing all 16 of the information specified in Section 8028.3.
  - (c) Pays the fees specified in Section 8031.
  - (d) Designates a qualifying manager.
- (e) Submits a declaration under penalty of perjury 20 from each qualifying officer and manager that he or she:
  - (1) Has read the laws and regulations governing the practice and the business of shorthand reporting.
    - (2) Will abide by these laws and regulations.
- (3) Will not request or expect any other certificate 25 holder or registrant to commit any act in violation of those laws and regulations.
  - (f) Complies with the requirements of Section 8028.4, if it operates a branch office.
  - 8028.3. (a) Each application submitted to the board shall meet the following requirements:
- 31 (1) Designate a qualifying manager and include his or 32 her name, residence or business address, social security number, and two full sets of his or her fingerprints.
- (2) If the applicant is a sole proprietorship, the 34 35 application shall include the name, residence or business 36 address, social security number, and two full sets of fingerprints of its owner.
- (3) If the applicant is a partnership or limited liability 38 39 partnership, the application shall include the names,

**— 25 — AB 2808** 

residence or business addresses, social security numbers, and two full sets of fingerprints for each partner.

(4) If the applicant is a corporation, limited liability corporation, limited liability company, or other type of entity not included in paragraph (2) or (3), the 6 application shall include thenames, residence businesses addresses, social security numbers, and two full sets of fingerprints for the president or chief executive officer, vice president or chief financial officer, 10 secretary.

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- (b) The fingerprint requirements in subdivision (a) shall not apply to persons whose fingerprints are on file with the board.
- 8028.4. If the entity operates branch offices, it shall 15 designate on its registration application one branch office 16 located within this state as its principal place of business and comply with all of the following provisions:
- (a) Register each of its branch offices, using a form 19 prescribed by the board.
  - (b) Designate a qualifying manager for each branch office and provide his or her residence or business address, social security number, and two full sets of his or her fingerprints.
- 8028.5. (a) (1) The registrant shall file a notice with 25 the board within 30 days of the date that a qualifying manager ceases to supervise the daily operations and activities of the registrant or any of its branch offices.
- (2) If the notice is filed with the board within this 29 period of time, the registration shall remain in effect for 30 a period of 30 days after the date on which the cessation occurred. Theregistration shall be 32 suspended at the end of this 30-day period unless the registrant notifies the board in writing either that the 34 qualifying manager has resumed his or her duties or a new 35 *qualifying* manager has been appointed 36 registrant provides all of the information required by paragraph (1) of subdivision (a) of Section 8028.3 for that 38 person.

**AB 2808 — 26 —** 

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(b) (1) The registrant shall file a notice with the board within 90 days of the date a qualifying officer resigns from his or her position.

- (2) If the notice is filed with the board within this 5 period of time, the registration shall remain in effect for a period of 90 days after the date on which the resignation shall occurred. Theregistration be automatically suspended at the end of this 90-day period unless the registrant notifies the board in writing either that the 10 qualifying officer has resumed his or her position or that a qualifying officer has been appointed, and the registrant provides all of the information required by Section 8028.3 13 for that person.
- (c) A registrant that disputes the suspension of its 15 registration under this section may petition the board for 16 review within 90 days of the board's suspension of the registration.
- (d) Any registration suspended under this section may 19 be reinstated only upon the filing of an application for 20 reinstatement on a form prescribed by the board and the payment of the reinstatement fee.
- (e) Any person who performs an act for which 23 registration is required during the period that the 24 registration is suspended under this section, is guilty of a 25 misdemeanor punishable by a fine of ten thousand dollars 26 (\$10,000) or by imprisonment in a county jail for not more than one year, or by both that fine and imprisonment, in addition to any other penalties provided by this chapter.
- 8028.7. A registrant shall prominently display its 29 registration at its principal place of business and at each 30 31 of its branch offices.
- 8028.8. (a) A registrant shall notify the board in 33 writing of a change in location of its principal place of 34 business or of any of its branch offices within 30 days of the occurrence of the change. A fee for filing the change shall 36 be charged in accordance with Section 8031.
- (b) A registrant shall notify the board in writing on a 37 38 form prescribed by the board within 30 days of establishing a branch office and submit within that time

**— 27 — AB 2808** 

period a registration application for the branch office pursuant to Section 8028.4.

- 8028.9. (a) If the board suspends or revokes a master registration, the suspension or revocation shall be applied only to the master registration and any branch office registrations specified by the board in its decision.
- (b) The revocation or suspension of a branch office registration by the board shall apply solely to that branch office unless otherwise specified by the board in its decision.
- 8028.10. The lapsing or suspension of a certificate or company registration by operation of law or by order or decision of the board or a court of law, or the voluntary 14 surrender of a certificate or company registration shall not deprive the board of jurisdiction to proceed with any 16 investigation of or action or disciplinary proceeding against the certificate holder or-company registrant, or to render a decision suspending or revoking the certificate or-company registration.
  - 8028.11. The suspension or revocation of a certificate or a company registration as provided for in this chapter may also be ordered in any action otherwise proper in any court involving the certificate holder's or a company registrant's performance of a legal obligation under the law.
  - 8028.12. Misrepresentation of a material fact by an applicant for a company registration is a ground for disciplinary action.
- 8028.13. Aiding or abetting an uncertificated 30 individual or unregistered company to evade the provisions of this chapter or knowingly combining or conspiring with an uncertificated individual or unregistered company, or allowing one's certification or 34 company registration to be used by an uncertificated individual or unregistered company, or acting as agent or 36 partner or associate, or otherwise, of an uncertificated individual or unregistered company to evade the provisions of this chapter is a ground for disciplinary

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**AB 2808 — 28 —** 

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8028.14. The board shall require as a condition 1 precedent to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a company registration, that the applicant or company registrant file or have on file a bond in the amount of seven thousand 5 6 five hundred dollars (\$7,500).

- 8028.13. A registrant or certificate holder is subject to disciplinary action by the board if he or she conspires with a person who is not so certificated or registered to violate 10 any provisions of this chapter, or who, with intent to aid or assist that person in violating those provisions, does any of the following:
- (a) Allows his or her certification or registration to be 13 14 used by that person.
  - (b) Acts as that person's agent, partner, or associate. SEC. 18.
- SEC. 20. Section 8031 of the Business and Professions 17 18 Code is amended to read:
  - 8031. The amount of the fees required by this chapter is that fixed by the board in accordance with the following schedule:
- (a) The fee for filing an application for 23 examination shall be no more than forty dollars (\$40).
- (b) The fee for examination and reexamination for the 25 written or practical part of the examination shall be in an amount fixed by the board, which shall be equal to the actual cost of preparing, administering, grading, analyzing the examination, but shall not exceed seventy-five dollars (\$75) for each separate part, for each administration.
- (c) The initial certificate fee is an amount equal to the 32 renewal fee in effect on the last regular renewal date before the date on which the certificate is issued, except 34 that, if the certificate will expire less than 180 days after 35 its issuance, then the fee is 50 percent of the renewal fee 36 in effect on the last regular renewal date before the date on which the certificate is issued, or fifty dollars (\$50), whichever is greater. The board may, by appropriate 38 regulation, provide for the waiver or refund of the initial

**AB 2808** 

certificate fee where the certificate is issued less than 45 days before the date on which it will expire.

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(d) By a resolution adopted by the board, a renewal fee may be established in such amounts and at such times as the board may deem appropriate to meet operational expenses and funding responsibilities as set forth in this chapter. The renewal fee shall not be more than one hundred twenty-five dollars (\$125) nor less than ten dollars (\$10) annually, with the following exception:

Any person who is employed full time by the State of California as a hearing reporter and who does not otherwise render shorthand reporting services for a fee shall be exempt from licensure certification while in state employment and shall not be subject to the renewal fee provisions of this subdivision until 30 days after leaving 16 state employment. The renewal fee shall, in addition to the amount fixed by this subdivision, include any unpaid fees required by this section plus any delinquency fee.

- (e) The duplicate certificate fee shall be no greater than ten dollars (\$10).
- (f) The penalty for failure to notify the board of a change of name or address as required by Section 8024.6 shall be no greater than fifty dollars (\$50).
- (g) The fee for an initial company registration and 25 renewal of a company registration shall be fixed by the and shall not be more than one hundred twenty-five dollars (\$125) nor less than ten dollars (\$10) annually and shall be determined by board rule.
  - (h) The fee for examination as a qualified manager or branch office manager of a company registrant shall not exceed the actual cost of developing, preparing, administering, grading, and analyzing the examination.
- (h) The fee for a branch office registration shall not 34 exceed fifty dollars (\$50).
- (i) The fee for a company registrant that changes the 36 location of its principal office, any branch office, its qualified manager, branch office manager, officers, or bond shall not exceed fifty dollars (\$50). location of its principal place of business or any branch office or that

**AB 2808 — 30 —** 

- changes its qualifying officer or manager pursuant to Section 8028.5 shall not exceed fifty dollars (\$50).
- (j) The fee for a branch office registration shall not exceed fifty dollars (\$50).
- (k) The fee for reinstatement of a registration shall not 6 exceed one hundred twenty-five dollars (\$125).

SEC. 19.

- SEC. 21. No reimbursement is required by this act 9 pursuant to Section 6 of Article XIII B of the California 10 Constitution because the only costs that may be incurred 11 by a local agency or school district will be incurred 12 because this act creates a new crime or infraction, 13 eliminates a crime or infraction, or changes the penalty 14 for a crime or infraction, within the meaning of Section 15 17556 of the Government Code, or changes the definition 16 of a crime within the meaning of Section 6 of Article 17 XIII B of the California Constitution.
- SEC. 22. The sum of eighty one thousand dollars 18 19 (\$81,000) is hereby appropriated to the Court Reporter's 20 Board of California from the Court Reporter's Fund for 21 the purpose of funding during fiscal year 2001–02 a Staff 22 Services Manager I position. Appropriations for this 23 purpose in subsequent fiscal years shall be subject to the 24 annual budget process.